

**KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**

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December 15, 2014

### **INDEPENDENT ACCOUNTANTS' REPORT**

Kisatchie Delta Regional Planning and  
Development District, Inc.  
3516 Parliament Court  
Alexandria, Louisiana 71303

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kisatchie-Delta Regional Planning and Development District, Inc. (the District) as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The information included

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***INDEPENDENT ACCOUNTANTS' REPORT***

***DECEMBER 15, 2014***

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in the accompanying Combining Statement of Revenue, Expenditures and Changes in Fund Balances is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

The management's discussion and analysis listed in the accompanying table of contents is presented for purposed of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subject to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued our report dated December 15, 2014 on the results of our agreed-upon procedures.

As discussed in Note 13, certain conditions indicate that Kisatchie-Delta may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should it be unable to continue as a going concern.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# ***KISATCHIE-DELTA***

## ***REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.***

### ***Management's Discussion and Analysis***

#### ***For the Year Ended June 30, 2014***

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This section of Kisatchie-Delta Regional Planning and Development District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2014.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present Kisatchie-Delta's financial position and results of operations from differing perspectives, which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about Kisatchie-Delta as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of Kisatchie-Delta's assets and all of its liabilities (including long-term debt). Expenses incurred in connection with the operation of Kisatchie-Delta's programs are reported as governmental activities. The governmental activities are financed by grants, fees and membership dues.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding Kisatchie-Delta's most significant activities and are not intended to provide information for Kisatchie-Delta as a whole. Funds are accounting devices that are used to account for specific sources of funds. Kisatchie-Delta's funds are all classified as governmental funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of Kisatchie-Delta's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF KISATCHIE-DELTA AS A WHOLE**

Government-wide financial data for Kisatchie-Delta are presented as follows:

#### **Net Position**

A condensed version of the government-wide Statement of Net Position is presented as follows:

# **KISATCHIE-DELTA**

## **REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**

### ***Management's Discussion and Analysis***

***For the Year Ended June 30, 2014***

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	<b>June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Assets:</u></b>		
Current and Other Assets	\$ 451,407	\$ 664,210
Capital Assets	2,747	5,309
<b>Total Assets</b>	<b>454,154</b>	<b>669,519</b>
<b><u>Liabilities:</u></b>		
Current and Other Liabilities	88,116	85,614
Long-term Liabilities	693,974	768,549
<b>Total Liabilities</b>	<b>782,090</b>	<b>854,163</b>
<b><u>Net Position:</u></b>		
Invested in Capital Assets	2,747	5,309
Restricted	27,508	397,049
Unrestricted	(358,191)	(587,002)
<b>Total Net Position</b>	<b>\$ (327,936)</b>	<b>\$ (184,644)</b>

In order to promote economic development, Kisatchie-Delta has borrowed \$2,000,000 from the USDA's Intermediary Relending Program (IRP) for the purpose of establishing a revolving loan fund. Kisatchie-Delta's IRP loan program has originated numerous loans and these loans have experienced a substantial rate of default. Due to losses associated with these problem loans, liabilities exceed assets and Kisatchie-Delta has a substantial deficit in unrestricted net position.

### **Changes in Net Position**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:



# ***KISATCHIE-DELTA***

## ***REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.***

### ***Management's Discussion and Analysis***

***For the Year Ended June 30, 2014***

	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
<b><u>Revenues:</u></b>		
Program Revenue:		
Charges for Services	\$ 92,880	\$ 118,982
Operating Grants and Contributions	75,868	117,710
General Revenue:		
Membership Dues	31,084	30,605
Miscellaneous	8,325	16,523
Total Revenue	208,157	283,820
<b><u>Program Expenses:</u></b>		
General Government		
Finance & Administrative	39,328	25,572
Economic Development		
Federal Procurement	13,416	71,602
EDA Regional Planning	80,643	71,971
Business Loans	25,886	15,475
Assistance to Local Governments	85,188	16,690
Rural Business Enterprise	1,225	2,915
Delta Regional Assistance	21,836	26,197
Employer Education and Awareness	83,927	80,602
Total Expenses	351,449	311,024
Change in Net Position	(143,292)	(27,204)
Net Position Beginning	(184,644)	(157,440)
Net Position Ending	\$ (327,936)	\$ (184,644)

As presented above, Kisatchie-Delta's net position decreased \$143,292. This decrease is due to problem loans, an absence of opportunities to earn income from providing services and difficulty collecting for some services performed in recent years.

### **FINANCIAL ANALYSIS OF KISATCHIE-DELTA'S FUNDS**

The factors resulting in a decrease in net position have also contributed to a decrease in the balances of Kisatchie-Delta's individual funds. The decrease in fund balances is larger than the decrease in net position due to differences in procedures for accounting for long-term debt.

# ***KISATCHIE-DELTA***

## ***REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.***

### ***Management's Discussion and Analysis***

***For the Year Ended June 30, 2014***

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#### **GENERAL FUND BUDGET HIGHLIGHTS**

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds and no budget comparisons are presented.

#### **CAPITAL ASSET ADMINISTRATION**

Capital asset activity for the year ended June 30, 2014 consisted of the depreciation of office equipment and software utilized to administer current grant programs. There were no acquisitions or significant disposals.

#### **DEBT ADMINISTRATION**

For the year ended June 30, 2014, debt activity was limited to the contractual maturity of existing obligations and changes in compensated absences.

#### **FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

At the present time, no significant factors are expected to affect further operations.



# ***KISATCHIE-DELTA***

## ***REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.***

### ***Statement of Net Position***

***June 30, 2014***

	<b>Governmental Activities</b>
<hr/>	
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 359,531
Accounts receivable	48,830
Other assets	3,973
Loans receivable, net of allowance for loan losses	39,073
Depreciable capital assets, net	<u>2,747</u>
<b>Total assets</b>	<u>454,154</u>
<b><u>Liabilities:</u></b>	
Accounts and other payables	406
Long-term liabilities	
Accrued leave	13,135
Note Payable - USDA	
Due within one year	74,575
Due in more than one year	<u>693,974</u>
<b>Total liabilities</b>	<u>782,090</u>
<b><u>Net Position</u></b>	
Invested in capital assets, net of related debt	2,747
Restricted For:	
EDA Regional Planning	27,508
Unrestricted	<u>(358,191)</u>
<b>Total net position (deficit)</b>	<u><u>\$ (327,936)</u></u>

**See accompanying notes and independent accountant's review report .**

# KISATCHIE-DELTA

## REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

### Statement of Activities

Year Ended June 30, 2014

		Program Revenues			Net (Expenses)
			Operating	Capital	Revenue
	Expenses	Charges for	Grants and	Grants &	Governmental
		Services	Contributions	Contributions	Activities
<b><u>Governmental Activities:</u></b>					
General Government					
Finance and Administration	\$ 39,328	\$ 3,400	\$ -	\$ -	\$ (35,928)
Economic Development					
Federal Procurement	13,416	-	15,868	-	2,452
EDA Regional Planning	80,643	-	60,000	-	(20,643)
Business Loans	25,886	14,883	-	-	(11,003)
Rural Business Enterprise	1,225	1,223	-	-	(2)
Delta Regional Assistance	21,836	15,107	-	-	(6,729)
Employer Education and Awareness	83,927	58,267	-	-	(25,660)
Assistance to Local Government	85,188	-	-	-	(85,188)
Total Governmental Activities	351,449	92,880	75,868	-	(182,701)
<b><u>General Revenues:</u></b>					
					31,084
Membership Dues					8,325
Miscellaneous					39,409
Total General Revenues					(143,292)
Change in Net Position					(184,644)
Net Position Beginning					\$ (327,936)
Net Position Ending					

See accompanying notes and independent accountant's review report.

# KISATCHIE-DELTA

## REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

### Balance Sheet

Governmental Funds - June 30, 2014

	General	EDA	Intermediary Relending	Workforce Investment Board	Grant Parish Master Plan	Broadband Education	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 163,860	\$ -	\$ 195,671	\$ -	\$ -	\$ -	\$ -	\$ 359,531
Accounts receivable	3,254	969	-	10,151	-	27,903	6,553	48,830
Interfund receivables	-	26,703	16,456	19,731	-	-	38,601	101,491
Other assets	3,973	-	-	-	-	-	-	3,973
Loans receivable, net of allowance for loan losses	-	-	39,073	-	-	-	-	39,073
Total assets	171,087	27,672	251,200	29,882	-	27,903	45,154	552,898
<b>Liabilities and Fund Balance</b>								
<b>Liabilities:</b>								
Accounts and other payables	-	164	4	111	5	26	96	406
Interfund payables	7,401	-	-	-	53,063	23,740	17,287	101,491
Total liabilities	7,401	164	4	111	53,068	23,766	17,383	101,897
<b>Fund Balances</b>								
Restricted For:								
EDA Regional Planning	-	27,508	-	-	-	-	-	27,508
Business Loans	-	-	251,196	-	-	-	-	251,196
Assigned To:								
Delta Regional Assistance	-	-	-	-	-	-	45,106	45,106
Environmental Assessments	-	-	-	-	-	-	-	-
Employer Education and Awareness	-	-	-	29,771	-	4,137	-	33,908
Unassigned	163,686	-	-	-	(53,068)	-	(17,335)	93,283
Total Fund Balances	163,686	27,508	251,196	29,771	(53,068)	4,137	27,771	451,001
Total Liabilities and Fund Balance	\$ 171,087	\$ 27,672	\$ 251,200	\$ 29,882	\$ -	\$ 27,903	\$ 45,154	\$ 552,898

See accompanying notes and independent accountant's review report.

# **KISATCHIE-DELTA**

## **REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**

### ***Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement Net Position***

***June 30, 2014***

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Total Fund Balances - Governmental Funds	\$ 451,001
Amounts reported for governmental activities in the statement of net position are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(781,684)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>2,747</u>
Net Position of Governmental Activities	<u>\$ (327,936)</u>

**See accompanying notes and independent accountant's review report.**

# KISATCHIE-DELTA

## REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### Governmental Funds - Year Ended June 30, 2014

	General	EDA	Intermediary Relending	Workforce Investment Board	Grant Parish Master Plan	Broadband Education	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Grants - Federal	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 29,698	\$ 89,698
State funds	-	-	-	-	-	21,496	-	21,496
Local funds	-	-	-	36,771	-	-	-	36,771
Membership dues	31,084	-	-	-	-	-	-	31,084
Interest and fees from loans	9,372	-	5,511	-	-	-	-	14,883
Miscellaneous	10,675	-	1,050	-	-	-	2,500	14,225
<b>Total revenues</b>	<b>51,131</b>	<b>60,000</b>	<b>6,561</b>	<b>36,771</b>	<b>-</b>	<b>21,496</b>	<b>32,198</b>	<b>208,157</b>
<b>Expenditures:</b>								
<b>Current</b>								
General Government								
Finance and Administration	33,974	-	-	-	-	-	-	33,974
Economic Development								
Federal Procurement	-	-	-	-	-	-	13,416	13,416
EDA Regional Planning	-	80,643	-	-	-	-	-	80,643
Business Loans	7,559	-	9,903	-	-	-	-	17,462
Rural Business Enterprise	-	-	-	-	-	-	1,225	1,225
Delta Regional Assistance	-	-	-	-	-	-	21,836	21,836
Employer Education and Awareness	-	-	-	42,607	-	33,398	7,922	83,927
Assistance to Local Government	-	-	-	-	85,188	-	-	85,188
Capital Expenditures	-	-	-	-	-	-	-	-
Debt Service	-	-	82,260	-	-	-	-	82,260
<b>Total expenditures</b>	<b>41,533</b>	<b>80,643</b>	<b>92,163</b>	<b>42,607</b>	<b>85,188</b>	<b>33,398</b>	<b>44,399</b>	<b>419,931</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>9,598</b>	<b>(20,643)</b>	<b>(85,602)</b>	<b>(5,836)</b>	<b>(85,188)</b>	<b>(11,902)</b>	<b>(12,201)</b>	<b>(211,774)</b>

See accompanying notes and independent accountant's review report.

# KISATCHIE-DELTA

## REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### Governmental Funds - Year Ended June 30, 2014

	General	EDA	Intermediary Relending	Workforce Investment Board	Grant Parish Master Plan	Broadband Education	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	9,598	(20,643)	(85,602)	(5,836)	(85,188)	(11,902)	(12,201)	(211,774)
Other Financing Sources (Uses):								
Operating transfers in (out)	113,554	12,000	-	-	-	-	(125,554)	-
Excess (deficiency) of revenues and and other resources over other resources over (under) expenditures and other uses	123,152	(8,643)	(85,602)	(5,836)	(85,188)	(11,902)	(137,755)	(211,774)
Fund balance - beginning of year	40,534	36,151	336,798	35,607	32,120	16,039	165,526	662,775
Fund balance - end of year	\$ 163,686	\$ 27,508	\$ 251,196	\$ 29,771	\$ (53,068)	\$ 4,137	\$ 27,771	\$ 451,001

See accompanying notes and independent accountant's review report.

# **KISATCHIE-DELTA**

## **REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**

### ***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities***

***Year Ended June 30, 2014***

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Net change in fund balances of Governmental Funds \$ (211,774)

Amounts reported for governmental activities in the statement of  
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over  
estimated useful lives and reported as depreciation expense. Capital  
outlays and depreciation are presented as follows:

Capital Outlay	-
Depreciation	(2,562)

Because of differing measurement focuses described in Note 1, some expenses  
included in the government wide presentation do not meet the criteria  
for reporting in the governmental fund presentation. (2,792)

Repayment of debt principal is an expenditure in the governmental funds, but  
the repayment reduces long-term liabilities in the statement of net position. 73,836

Change in net position of governmental activities \$ (143,292)



# ***Kisatchie-Delta***

## **Regional Planning and Development District**

### ***Notes to Financial Statements***

***June 30, 2014***

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Kisatchie-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kisatchie-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kisatchie-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kisatchie-Delta is financed by governmental sources and, since its Board of Directors is appointed by various local governments, Kisatchie-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

#### **Financial Reporting Entity**

Kisatchie-Delta is considered a legally separate stand-alone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the activities that are under the direct control of the Board of Directors. Kisatchie-Delta is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

#### **Basic Financial Statements**

All of Kisatchie-Delta's operations are classified as governmental activities. Governmental activities involve government services that are normally supported by intergovernmental revenues and certain fees. The basic financial statements include both government-wide and fund financial statements. The government-wide and fund financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

#### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about Kisatchie-Delta as a whole. The effect of interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, fees, contributions associated with a particular function and most grants.

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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#### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The District's major funds are described as follows:

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- EDA – This fund accounts for activity related to regional planning activities supported by EDA grants and local matching funds.
- Intermediary Relending – This fund accounts for revolving loan activity that is financed by a loan from the United States Department of Agriculture.
- Workforce Investment Board – Accounts for activities associated with providing assistance to employers associated with workforce development.
- Grant Parish Master Plan – Established to account for resources devoted to preparing a master plan to service as a tool for developing Grant Parish.
- Broadband Education – Account for activities associated with enhancing broadband services.

#### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 90 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure of funds.

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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#### **Accumulated Unpaid Vacation**

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked depending upon their length of service. Vacation time not taken may be carried forward to subsequent periods; but upon termination, no more than thirty days of accrued vacation will be paid to the employee. Earned vacation has been charged to the funds based on the same allocation as regular salary.

#### **Capital Assets**

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions. Capital assets are depreciated using the straight-line method and useful lives ranging from 5 years to 7 years.

#### **Interfund Receivables and Payables**

Amounts of cash held or disbursed by the General Fund on behalf of other funds are recorded as Interfund Payables and Receivables. These Interfund Payables and Receivables are eliminated from the government-wide financial statement presentation.

#### **Loans and Allowance for Loan Losses**

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

#### **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

#### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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#### **Budgets**

As discussed previously, Kisatchie-Delta is organized as a non-profit corporation rather than a political subdivision. Accordingly, Kisatchie-Delta is not required to prepare a formal budget or present budget comparisons with its financial statements.

#### **Fund Balance Classification:**

The District's Executive Director is authorized to assign amounts for specific purposes. In situations where it is permissible to spend restricted or assigned resources, the District typically depletes the available restricted or assigned resources before consuming unrestricted resources.

#### **NOTE 2 – INTERNAL BALANCES AND ACTIVITY**

The interfund receivables and payables at June 30, 2014 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ ----	\$ 7,401
Special Revenue Funds:		
Economic Development Administration	26,703	----
Intermediary Relending	16,456	----
Workforce Investment Board	19,731	----
Grant Master Plan	----	53,063
Broadband Education	----	23,740
Other Governmental Funds	38,601	17,287
Total	\$ 101,491	\$ 101,491

Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in the interfund receivables and payables presented above.

Operating transfers for the year ended June 30, 2014 are presented as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
General Fund	\$ 113,554	\$ ----	\$ 113,554
Special Revenue Funds:			
Economic Development Admin	12,000	----	12,000
Other Governmental Funds	----	125,554	(125,554)
Total	\$ 125,554	\$ 125,554	\$ ----

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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The transfers described above included \$12,000 transferred to EDA to provide grant matching funds. The remaining transfers were to close out balances in funds that were established to account for projects that have been completed.

#### **NOTE 3 – CAPITAL ASSETS**

Changes in capital assets are presented as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Depreciable Capital Assets</u></b>				
Furniture, Fixtures and Equipment	\$ 37,555	\$ ----	\$ ----	\$ 37,555
Leasehold Improvements	10,554	----	----	10,554
Accumulated Depreciation	(42,800)	(2,562)	----	(45,362)
<b>Total</b>	<b>\$ 5,309</b>	<b>\$ (2,562)</b>	<b>\$ ----</b>	<b>\$ 2,747</b>

Depreciable capital assets are limited to furniture, fixtures, equipment and improvements used in the administration of Kisatchie-Delta's activities. Accordingly, depreciation expense is reported in the accompanying government-wide financial statements as a finance and administrative expense.

#### **NOTE 4 - INTERMEDIARY RELENDING PROGRAM**

Kistachie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture. As an intermediary, Kisatchie-Delta has borrowed \$2,000,000 from the United States Department of Agriculture (USDA) at an interest rate of one percent (1%). Funds borrowed from the USDA were used to create a portfolio of revolving loans to eligible borrowers within the Kisatchie-Delta District.

As of June 30, 2014, the loan portfolio consists of two (2) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$ 80,010
Allowance for Loan Losses	(40,937)
<b>Loans (net)</b>	<b>\$ 39,073</b>

An analysis of activity affecting the allowance for loan losses for the year ended June 30, 2014 is presented as follows:



# **Kisatchie-Delta**

## **Regional Planning and Development District**

### **Notes to Financial Statements**

**June 30, 2014**

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Allowance For Loan Losses:

Balance, Beginning of the Year	\$	40,937
Provision for Bad Debts		----
Loans Charged Off		----
Recoveries		----
Balance, End of the Year	\$	40,937

---

### **NOTE 5 - LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 2014

	<u>Accrued Leave Liability</u>	<u>Farmers Home Administration</u>	<u>Total</u>
Beginning of Year	\$ 10,343	\$ 842,385	\$ 852,728
Additions	2,792	----	2,792
Long-term Debt Retired	----	73,836	73,836
End of Year	13,135	768,549	781,684
Due Within One Year	----	74,575	74,575
Due in More Than One Year	\$ 13,135	\$ 693,974	\$ 707,109

---

Notes payable at June 30, 2014 are comprised of the following general obligations:

A \$2,000,000 loan from the USDA at 1% for the purpose of financing Kisatchie-Delta's participation in the Intermediary Relending Program. Interest is due in semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Kisatchie-Delta's intermediary loan portfolio.

\$ 768,549

Since Kisatchie-Delta's general obligations were incurred to finance the IRP loan program, the IRP loan fund has provided resources to service the general obligation debt. In addition, interest incurred in connection with the general obligations has been reported in the Statement of Activities as a business loan program expense. For the year ended June 30, 2014, the business loan program expenses included interest expense totaling \$8,424.

Compensated absences are usually liquidated by Kisatchie-Delta's general fund

Future payment of principal and interest on outstanding general obligations is presented as follows:

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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<u>Year Ended June 30<sup>th</sup></u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 74,575	\$ 7,685	\$ 82,260
2016	75,320	6,940	82,260
2017	76,073	6,187	82,260
2018	76,834	5,426	82,260
2019	77,603	4,657	82,260
2020 – 2024	388,144	11,491	399,635
Total	\$ 768,549	\$ 42,386	\$ 810,935

#### **NOTE 6 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2014 are presented as follows:

Other	\$ 3,254
Service fees	111,576
Total Receivables	114,830
Allowance for Doubtful Accounts	(66,000)
Receivables - Net	\$ 48,830

Kisatchie-Delta has performed a substantial amount of work on an economic development project for one the communities in its service area. The recipient of the work anticipated that grant funds would be available to pay for the services received. However, due to a lack of performance by a contractor responsible for another phase of the project, completion of the project is not sufficient to qualify for reimbursement under the grant program. Since the recipient of the services does not have an available source of funds to pay the outstanding balance, an allowance for doubtful accounts has been established.

#### **NOTE 7 - COMPENSATION OF BOARD MEMBERS**

During the year, no compensation was paid to any member of the District's Board of Directors.

#### **NOTE 8 - CASH**

At June 30, 2014 the District's cash balances totaled \$359,531 (Book Balance) and \$379,990 (Bank Balance). The bank balance is secured by FDIC insurance totaling \$377,104. A portion of the bank balance was held in an account that was not insured or collateralized by pledged securities. The portion of deposits that were unsecured at June 30, 2014 totaled \$2,886.



# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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#### **NOTE 9 - RISK MANAGEMENT:**

Kisatchie-Delta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

#### **NOTE 10 - FUND BALANCES**

At June 30, 2014, certain fund balances reported deficits. The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.

#### **NOTE 11 – LEASE**

The lease agreement executed by Kisatchie-Delta to occupy office facilities necessary for operations has expired. Currently, the facility is rented on a monthly basis until the terms of a new lease agreement have been reached. For the year ended June 30, 2014, rent expenditures totaling \$11,700 were incurred and reported as finance and administration expenditures.

#### **NOTE 12 – CONTINGENCES**

Kisatchie-Delta receives state and federal assistance through various grant programs and contracts. Management is confident that all significant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

In addition to the contingencies associated with grant programs, Kisatchie-Delta is also a defendant in a lawsuit filed by a former participant in its lending program. An attorney has been retained to provide a defense and based on consultation with the attorney, management does not expect to incur any liability as a result of the lawsuit. Accordingly, financial consequences associated with this matter are expected to be limited to the costs of providing a defense.

#### **NOTE 13 – GOING CONCERN MATTERS**

As discussed in Note 4, Kistachie-Delta began participating in the USDA's Intermediary Relending Program (IRP). Under the terms of the IRP, Kisatchie-Delta borrowed funds from the USDA and used proceeds from the borrowing to originate a portfolio of loans to business ventures. Business ventures eligible to participate under USDA guidelines were limited to organizations that did not qualify for traditional loans. These guidelines amounted to a flawed concept because the eligible participants were typically unable to meet their repayment obligations.

Payments collected from the IRP portfolio were intended to provide a source of funds for repaying the obligation to the USDA incurred in connection with the program. However, due to the extreme

# ***Kisatchie-Delta***

## ***Regional Planning and Development District***

### ***Notes to Financial Statements***

***June 30, 2014***

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volume of default experienced by the IRP portfolio, the program has not produced sufficient resources to repay the USDA.

Financial stress associated with failure of the IRP program threatens Kisatchie-Delta's ability to meet obligations that are necessary to maintain operations. Actions taken by management to respond to this threat are described below:

- Management is exploring opportunities to modify its obligation to the USDA. Initial efforts have indicated that concessions may be granted that will provide more manageable repayment terms.
- Management is exploring opportunities to share resources with other development and planning agencies. The relationships being contemplated would offer opportunities to limit losses by sharing overhead and eliminating expenses.

# KISATCHIE-DELTA

## REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

### Combining Statement of Revenues, Expenditures and Changes in Fund Balance

#### Non Major Governmental Funds - Year Ended June 30, 2014

	LAPDD-EDA	LAPDD-DEQ	REAP	Enterprise	Wood Products Development	Delta Regional Authority	Avoyelles Hazard Mitigation	Federal Procurement	RBEG	Total
<u>Revenues:</u>										
Grants - Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,607	\$ -	\$ 15,868	\$ 1,223	\$ 29,698
Miscellaneous	-	-	-	-	-	2,500	-	-	-	2,500
Total revenues	-	-	-	-	-	15,107	-	15,868	1,223	32,198
<u>Expenditures:</u>										
General Government										
Federal Procurement	-	-	-	-	-	-	-	13,416	-	13,416
Rural Business Enterprise	-	-	-	-	-	-	-	-	1,225	1,225
Delta Regional Assistance	-	-	-	-	-	21,836	-	-	-	21,836
Employer Education and Awareness	-	-	-	7,922	-	-	-	-	-	7,922
Total expenditures	-	-	-	7,922	-	21,836	-	13,416	1,225	44,399
Excess (deficiency) of revenues over expenditures	-	-	-	(7,922)	-	(6,729)	-	2,452	(2)	(12,201)
<u>Other Financing Sources (Uses):</u>										
Operating transfers in (out)	(5,553)	(15,215)	(53,628)	-	8	-	(24,614)	(26,552)	-	(125,554)
Excess (deficiency) of revenues and other resources over other resources over (under) expenditures and other uses	(5,553)	(15,215)	(53,628)	(7,922)	8	(6,729)	(24,614)	(24,100)	(2)	(137,755)
Fund balance - beginning of year	5,553	15,215	53,628	-	(8)	51,835	24,614	24,100	(9,411)	165,526
Fund balance - end of year	\$ -	\$ -	\$ -	\$ (7,922)	\$ -	\$ 45,106	\$ -	\$ -	\$ (9,413)	\$ 27,771

See independent accountant's review report.

# **Rozier, Harrington & McKay**

## **Certified Public Accountants**

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Telephone (318) 442-1608

**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

December 15, 2014

### **INDEPENDENT ACCOUNTANTS' REPORT ON** **APPLYING AGREED-UPON PROCEDURES**

Kisatchie-Delta Regional Planning  
and Development District, Inc.  
3516 Parliament Court  
Alexandria, Louisiana 71303

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Kisatchie-Delta Regional Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Kisatchie-Delta's compliance with certain laws and regulations during the year ended June 30, 2014, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### **PUBLIC BID LAW:**

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

*Our review of the general ledger and inquiries of management found no transactions that met the scope of the public bid law.*

**-Members-**

**American Institute of Certified Public Accountants • Society of Louisiana, CPAs**

***KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT  
DECEMBER 15, 2014***

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**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

*Management provided a questionnaire completed by each active member of the Board. The questionnaires furnished a list of outside business interest and immediate family members.*

3. Obtain from management a listing of all employees paid during the period under examination.

*Management provided us with a listing of all employees paid during the period under examination.*

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*None of the employees included on the list of employees provided by management agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.*

**BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

*Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, the Attorney General has determined that Kisatchie-Delta is not required to adopt or amend budgets for its funds.*

6. Trace the budget adoption and amendments to the minute book.

*Not applicable*

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

*Not Applicable*

**ACCOUNTING AND REPORTING**

8. Randomly select six disbursements made during the period under examination and:

**(a)** trace payments to supporting documentation as to proper amount and payee.

***KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT  
DECEMBER 15, 2014***

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*We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.*

**(b)** determine if payments were properly coded to the correct fund and general ledger account.

*All of the payments were properly coded to the correct fund and general ledger account.*

**(c)** determine whether payments received approval from proper authorities.

*Inspection of supporting purchase orders indicated that all invoices are approved for payment. No further approval was required.*

**MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

*The District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.*

**DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*We inspected the bank deposits for the period under examination and noted no debt proceeds received.*

**ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

*Our review of the payroll records and board minutes for the year found that no employees received payments that would constitute a bonus, advance or gift.*

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



***KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT***  
***DECEMBER 15, 2014***

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This report is intended solely for the use of management of Kisatchie-Delta Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Rozier, Harrington & McKay".

ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants



**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>SECTION I - Review Report</b>	
No findings were reported.	Response – N/A
<b>SECTION II - Attestation Report</b>	
No findings were reported.	Response – N/A
<b>SECTION III -MANAGEMENT LETTER</b>	
No findings were reported.	Response – N/A

**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>SECTION I</b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
No findings were reported in the previous review.	Response – N/A
<b>SECTION II</b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings were reported in the previous review.	Response – N/A
<b>SECTION III</b> <b>MANAGEMENT LETTER</b>	
No findings were reported in the previous review.	Response – N/A

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

\_\_\_\_\_ (Date Transmitted)

**Rozier, Harrington and McKay**  
**Post Office Box 12178**  
**Alexandria, Louisiana 71315** (Auditors)

In connection with your review of our financial statements as of **June 30, 2014** and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 15, 2014

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [ **X** ] No [   ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ **X** ] No [   ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ **X** ] No [   ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ **X** ] No [   ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ **X** ] No [   ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ **X** ] No [   ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ **X** ] No [   ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [ **X** ] No [   ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [ ☒ ] No [ ☐ ]

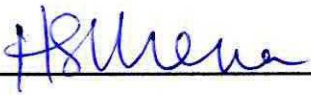
**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [ ☒ ] No [ ☐ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

 Executive Director 12/22/14 Date